

**Direct Testimony**  
**of**  
**William R. Johnson**

Water Department  
Financial Analysis Division  
Illinois Commerce Commission

Northern Hills Water & Sewer Company

Docket No. 03-0402

August 28, 2003

**WITNESS IDENTIFICATION**

**Q. Please state your name, your employer, and your business address.**

A. My name is William R. Johnson. I am employed by the Illinois Commerce Commission ("Commission"). My business address is 527 East Capitol Avenue, Springfield, Illinois 62701.

**Q. How long have you been employed by the Commission?**

A. I have been employed by the Commission since September 1, 1994.

**Q. Please briefly state your qualifications.**

A. I received a Bachelor of Arts degree in Economics from Sangamon State University (now University of Illinois at Springfield) in May 1990 and a Master of Arts degree in Economics, also from Sangamon State University, in December 1993.

In September 1994, I was assigned to the Commission's Public Utilities Division as an Economic Analyst for the Rates Department. In that capacity I reviewed and analyzed filings by electric, gas, and water utilities with regard to cost of service and rate design. I made recommendations to the Commission on such filings and participated in docketed proceedings as assigned. In January 2000, I was reassigned to the Water Department of the Financial Analysis Division. My duties include 1) evaluating rate filings; 2) assisting the Consumer Services Division in handling inquiries and complaints, upon request; 3) evaluating

testimony presented by utilities; 4) testifying on behalf of Commission Staff (“Staff”) in rate proceedings, applications for certificates, applications for reorganizations, and other formal proceedings which contain water and/or sewer related issues; 5) reviewing and performing cost-of-service studies; and 6) reviewing rate design issues.

**Q. Have you previously testified before the Commission?**

A. Yes, I have previously testified before the Commission on numerous issues related to my duties.

#### **PURPOSE OF TESTIMONY**

**Q. What is the purpose of your testimony?**

A. The purpose of my testimony is to address Northern Hills Water & Sewer Company’s (“Northern Hills” or “Company”) filing for a general increase in rates. I will be presenting testimony concerning the Company’s proposed water and sewer Rules, Regulations, and Conditions of Service tariffs.

**Q. Please describe Northern Hills Water & Sewer Company.**

A. Northern Hills is a wholly owned subsidiary of Utilities, Inc. (“UI”) who owns 24 water and wastewater utilities in Illinois. Water Service Corporation (“WSC”) manages the operation for all of UI’s water and wastewater systems, including Northern Hills. WSC provides management, administration, engineering,

accounting, billing, data processing, and regulatory services for the utility systems. (Ross, Direct Testimony, p. 1)

Northern Hills is located approximately two miles north of Freeport, IL. in Harlem Township, Stephenson County. Northern Hills provides water usage service to approximately 172 customers and sewer collection service to approximately 186 customers (Ross, Direct Testimony, p. 2).

#### **MISCELLANEOUS WATER AND SEWER TARIFF ISSUES**

**Q. Did the Company propose changes or updates to its current water and sewer Rules, Regulations and Conditions of Service tariffs in its initial filing for this case?**

A. Yes. The Company has proposed to update its water and sewer Rules, Regulations, and Conditions of Service tariffs since they have not been updated in several years. (Ross, Direct Testimony, p. 7)

**Q. Do you agree with the Company's proposed water and sewer Rules, Regulations, and Conditions of Service tariffs?**

A. I have reviewed the tariffs and agree with their content. The Company's proposed Rules, Regulations, and Conditions of Service tariffs are identical to those accepted by the Commission in other Utilities, Inc. cases. Specifically, Westlake Utility, Inc. (Docket No. 01-0050), Lake Wildwood Utilities Company (Docket No. 01-0663).

69 **Q. Please summarize what your recommendations are in this proceeding.**

70 A. I recommend the following:

71 1. The Commission order the Company file new Rules, Regulations and  
72 Conditions of Service tariffs within ten (10) days of the Commission order,  
73 attached to Company witness Ross' direct testimony, with an effective  
74 date of not less than ten (10) business days after the date of filing, for  
75 service rendered on and after their effective date, with individual tariff  
76 sheets to be corrected within that time period if necessary.

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78 **Q. Does this conclude your direct testimony?**

79 A. Yes, it does.

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